

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
FRB-01 INR-07 NSAE-00 CIEP-02 SP-02 STR-04 TRSE-00
LAB-04 SIL-01 OMB-01 INT-05 AGRE-00 ACDA-10 IO-13
L-03 NSC-05 NRC-07 OES-06 FEAE-00 DODE-00 ERDA-07
SS-15 H-02 AF-08 ARA-10 EA-09 NEA-10 USIA-15 PRS-01
/175 W

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R 091734Z FEB 77
FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 2977
INFO ALL EC CAPITALS 3103
AMEMBASSY ATHENS
AMEMBASSY LISBON
AMEMBASSY MADRID

UNCLAS SECTION 1 OF 2 EC BRUSSELS 01274/1

E.O. 11652:N/A
TAGS:EEC,EP
SUBJECT: EC COMMISSION PRESIDENT OUTLINES COMMISSION'S
1977 PROGRAM

REF: EC BRUSSELS 308

1.SUMMARY: IN FEBRUARY 8 SPEECH TO EUROPEAN PARLIAMENT
(AND AN ACCOMPANYING MEMORANDUM AMPLIFYING HIS REMARKS)EC
COMMISSIO PRESIDENT JENKINS PRESENTED THE COMMISSION'S
WORK PROGRAM FOR 1977.THE SPEECH IDENTIFIED,WITH SLIGHTLY
MORE DETAIL AND SPECIFICITY BUT STILL IN FAIRLY GENERAL
TERMS,THE SAME PRIORITY AREAS FOR COMMISSION ATTENTION
AS HAD JENKINS' MAIDEN SPEECH TOPARLIAMENT IN JANUARY:
COMBATTING UNEMPLOYMENT, INFLATION,AND THE WIDENING GAP
IN MEMBER STATE ECONOMIES THROUGH GREATER COORDINATION OF
MEMBER STATE AND COMMUNITY POLICIES AND THROUGHMORE
EFFECTIVE USE OF SUCH COMMUNITY INSTRUMENTS AS THE SOCIAL
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AND REGIONAL FUNDS; THE PRESENTATION TO EC COUNCIL OF
AGRICULTURAL PRICE PROPOSALS AND THE SEARCHING STUDY OF
UNDERLYING PROBLEMS IN THE AGRICULTURAL SECTOR; THE
DEVELOPMENT OF COMMUNITY FISHERY AND ENERGY POLICIES;
PREPARATION FOR DIRECT ELECTONS TO THE EUROPEAN
PARLIAMENT; AND DEVELOPMENT OF A COMPREHENSIVE,COHERENT
APPROACH TO COMMUNITY ENLARGEMENT.WHILE CALLING FOR

THE "FREE FLOW OF WORLD TRADE"AND RESISTANCE TO THE "SNAREST OF PROTECTIONISM",JENKINS NONETHELESS SUGGESTED A COMMISSION ROLE THIS YEAR IN DEVISING A STRATEGY AND COORDINATING POLICIES TO SUCCOR CERTAIN TROUBLED EUROPEAN INDUSTRIES IN ORDER TO MAINTAIN THEIR COMETITIVE POSITION IN WORLD TRADE.HE CALLED FOR "FIRM COOPERATION" BETWEEN WESTERN EUROPE AND THE UNITED STATES.JENKINS SAID THE COMMISSION WOULD TRY TO IMPROVE AND REFINED SYSTEM OF GENERALIZED PREFERENCES AS A MEANS OF FURTHER ASSITING THE LDCS,AND HE PROMISED TO IMPROVE THE PROVISION OF COMMUNITY FOOD AID.END SUMMARY.

2.JENKINS BEGAN AND ENDED HIS SPEECH BY NOTING THAT WHILE IT IS IMPORTANT FOR EC INSTITUTIONS NEVER TO LOSE SIGHT OF THE PHILOSOPHICAL AND STRUCTURAL GOALS WHICH THEY HOPE TO ACHIEVE FOR EUROPE OVER THE LONG TERM, ITS INSTITUTIONS ARE JUDGED IN THE SHORT RUN ON HOW EFFECT-IVELY THEY DEAL WITH PROBLEMS IMPINGING DIRECTLY ON THE IMMEDIATE INTERESTS OF COMMUNITY CITIZENS.THEREFORE THE COMMISSIONIN 1977 MUST NECESSARILY FOCUS,FOR THE MOST PART,ON PRESSING ISSUES OF CURRENT CONCERN AND WIDESPREAD INTEREST THROUGHOUT THE COMMUNITY.HE ENUMERATED THOSE ISSUES AND OUTLINED COMMISSON'S APPROACHES AS FOLLOWS:

3.FOOD AND AGRICULTURE POLICIES.CALLING THE COMMON AGRICULTURAL POLICY (CAP) " ONE OF THE CORNERSTONES OF THE COMMUNITY",JENKINS FEARED THAT "THE CORNERSTONE UNCLASSIFIED

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MAY BE DISLODGED"UNLESS EARLY REMEDIAL ACTION IS TAKEN. HE SAID CAP IS THREATENED BY MONETARY FLUCTUATIONS DI- RUPTING THE SINGLE MARKET AND BY INCREASING SURPLUSES AND LACK OF OUTLETS.OBSERVING THAT CONSUMERS RIGHTLY INSIST THAT AGRICULTURAL POLICIES SHOULD BE CONSISTENT WITH OTHER ECONOMIC OBJECTIVES,PARTICULARLY THE EFFORT TO COMBAT INFLECTION,JENKINS SAID THE COMMISSION'S FARM PRICE PROPOSALS THIS YEAR WILL FLOW THE " PRUDENT COURSE...OF PRICE MODERATION." HE PROMISED THAT IN CHARTING THE CAP'S FUTURE DIRECTIONS,THE COMMISSION WILL MAKE A PRIORITY STUDY OF EUROPEAN AGRICULTURE'S STRUCTURAL DIFFICULTIES AND DISPARITIES.

4.ECONOMIC POLICY.WARNING THAT SUCH PROGRESS TOWARD ECONOMIC UNION AS THE COMMUNITY HAS ACHIEVED IS IMPERILED BY HIGH UNEMPLOYMENT,INFLATION,AND THE GROWING GAP IN MEMBER STATE ECONOMIES,JENKINS SAID THE COMMISSION MUST PLAY A PORE CENTRAL ROLE IN COMBATTING THESE PROBLEMS: " TOGATHER WITH THE COUNCIL WE HAVE TO FORGE

PRACTICAL LINKS BETWEEN THE PREDOMINANTLY NATIONAL
ECONOMIC POLICIES OF INDIVIDUAL COUNTRIES -- TO PRO-
MOTE SOUNDLY BASED TECHNICAL SOLUTIONS TO EUROPE'S
ECONOMIC PROBLEMS. -- AND TO UNDERPIN THESE SOLUTIONS
BY CONSENSUS NOT ONLY BETWEEN GOVERNMENT BUT BETWEEN

THE INTEREST GROUPS INVOLVED." JENKINS CALLED FOR MORE
THAN MERE ANALYSIS AND COORDINATION BY COMMUNITY IN-
STITUTIONS: "... (THESE) MUST BE SUPPORTED BY
SELECTIVE INTERVENTION OF THE COMMUNITY IN THE EUROPEAN
ECONOMY AS A WHOLE." PROMISING THAT THE COMMIS-
SION WOULD CONCENTRATE ITS FINANCIAL RESOURCES ON THE
"CENTRAL PROBLEM OF ECONOMIC DIVERGENCE," JENKINS SAID
THAT BOTH RICHER AND POORER MEMBER STATES " MUST
ACCEPT THE REALITY OF THE COMMUNITY'S ROLE" IN TRANS-
FERRING RESOURCES TO POORER REGIONS AND IN ESTABLISHING
METHODS FOR INSURING THAT "PROPER
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DISCIPLINES" ARE OBSERVED REGARDING USE OF THESE RESOURCES.

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INFO ALL C CAPITALS 3104

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5.INDUSTRIAL POLICY.WHILE CALLING FOR FURTHER EFFORTS TO REMOVE BARRIERS TO TRADE WITHIN THE INTERNAL COMMUNITY MARKET (E.G.THROUGH HARMINIZATION OF COMPANY LAW,COMPETITION LAW AND TAXES)AND ALSO TO WORLD TRADE,JENKINS ALSO ADVOCATED INSPECIFIED " COMMUNITY ACTION IN INDIVIDUAL SECTORS SUCH AS STEEL AND SHIP-BUILDING WHERE EUROPE'S VITAL INTERESTS ARE AT STAKE." ARGUING THAT "EUROPE AS A WHOLE MUST ACT TO MAINTAIN ITS COMPETITIVE POSITION",JENKINS FORESAW A COORDINATING ROLE FOR THE COMMISSION IN DEVELOPING A COMMUNITY STRATEGY TO ASSIST,IN ADDITION TO STEEL AND SHIP-BUILDING,SUCH ADVANCED TECHNOLOGY INDUSTRIES AS AIRCRAFT AND COMPUTERS,AS WELL AS TRADITIONAL INDUSTRIES LIKE TEXTILES AND FOOTWEAR.(COMMENT: JENKINS'EXPLANATORY MEMORANDUM ADDS PAPER PRODUCTS AND MOTOR VEHICLES TO THIS CATALOG.THE MEMORANDUM WAS ONLY SLIGHTLY MORE SPECIFIC THAN JENKINS' SPEECH REGARDING THE KIND OF COMMUNITY ACTION EN-UNCLASSIFIED

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VISAGED TO MAINTAIN THE COMPETITIVE POSITION OF EUROPEAN ENTERPRISES.THE MEMORANDUM SAYS THERE WILL BE: "(A) AN ATTEMPT TO DEFINE A COMMON STRATEGY IN THE ADVANCED TECHNOLOGY SECTORS,WHERE STATE INTERVENTION IS OFTEN DECISIVE AND REQUIRES LARGE-SCALE INVESTMENTS (AND WHERE)AND EFFECTIVE STIMULUS CAN BE PROVIDED AT COMMUNITY LEVEL; AND (B) COORDINATION OF MEMBER STATES'POLICIES IN SECTORS IN DIFFICULTY SO THAT THEY DO NOT CLASH OR CANCEL EACH OTHER OUT."

6.ENERGY.JENKINS CALLED FOR THE EARLY DEVELOPMENT OF A COORDINATED ENERGY POLICY WHICH WILL EMPHASIZE THE NEED FOR CONSERVATION AND INCREASED SELF-SUFFICIENCY.HE SAID THE LATTER ERQUIRES DEVELOPMENT OF NEW ENERGY SOURCES AND EMPHASIZED THE IMPORTANCE THE THE COMMISSION ATTACHE TO EARLY COUNCIL ADOPTION OF THE JET THERMONUCLEAR FUSION PROJECT.

7.FISHERIES.JENKINS EMPHASIZED THE RISK INHERENT IN DELAYING ADOPTION OF A COMMON INTERNAL FISHERY POLICY,BUT OFFERED NO SPECIFICS BEYOND THOSE PROPOSALS COMMISSION HAS ALREADY PUT TO COUNCIL.

8.PREPARATION FBR DIRECT ELECTION OF PARLIAMENT. JENKINS PROMISED THE COMMISSION'S INFORMATION SERVICES WILL GIVE TOPE PRIORITY TO PROGRAMS DESIGNED TO ENLIGHTEN CITIZENS OF MEMBER STATES ABOUT THE IMPORTANCE OF DIRECT ELECTIONS.WHILE NOTING IT IS TOO EARLY TO KNOW WHAT EFFECT DIRECT ELECTIONS WILL HAVE

ON COMMUNITY INSTITUTIONS,JENKINS IMPLIED THAT THE DIRECTLY ELECTED PARLIAMENT SHOULD,AT A MINIMUM,HAVE STEADILY INCREASING BUDGETARY OVERSIGHT POWERS AS THE COMMUNITY BUDGET CONTINUES TO GROW.

9. COMMUNITY ENLARGEMENT.WHILE ENDORSING COMMUNITY ENLARGEMENT TO ADMIT DEMOCRATIC COUNTRIES WISHING TO UNCLASSIFIED

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JOIN THE EC,JENKINS STRUCK A MORE CAUTIOUS NOTE REGARDING MODALITY THAN IN HIS SPEECH TO PARLIAMENT LAST MONTH.IN FEBRUARY 8 SPEECH JENKINS SAID: " WE CANNOT PROCLAIM A EUROPEAN IDEAL AND A EUROPEAN SOLUTION AND YET REFUSE TO LET EUROPEAN COUNTRIES ANXIOUS AND DEMOCRATICALLY QUALIFIED TO JOIN FROM PARTICIPATING IN IT.. BUT THE PROSPECTS OF ENLARGEMENT ALSO PRESENT US WITH BOTH RESPONSIBILITY AND DIFFICULTY... WE MUST EXAMINE CLOSELY THE IMPACT OF ENLARGEMENT ON THE INSTITUTION ORIGINALLY DESIGNED FOR SIX NATIONS AND THEN MADE TO ACCOMMODATE NINE...IT IS THEREFORE OUR DETERMINATION THAT THE COMMUNITY TAKE AN OVERALL APPROACH TO THE QUESTON OF ENLARGEMENT.WE MUST APPRAISE WHAT THE BALANCE AND SOLIDITY OF THE WHOLE EDIFICE WILL BE IN THE 80'S .THIS SHOLD BE WELL UNDERSTOOD BY OUR PARTNERS IN THE FUTURE NEGOTIATIONS. BY PLACING OUR FUTURE TALKS ON GRONDS OF BOTH REALISM ANDPERSPECTIVE WE SHALL BE MORE LIKELY TOMAKE A GENUINE AND EFFECTIVE CONTRIBUTION TO EUROPEAN UNITY. THE COMMISSION WILL BE SYMPATHETIC TO ENLARGEMENT BUT IT WILL INSIST THAT THE PROBLEMS BE FACED AND NOT CLOSED OUT. "

10. EXTERNAL RELATIONS.JENKINS SAID THE COMMISSION WILL INTENSIFY ITS EFFORTS TO SEE THAT THE COMMUNITY SPEAKS WITH ONE VOICE TO THE WORLD AND WILL STRIVE TO "PROMOTE CONSTRUCTIVE COOPERATION BETWEEN INDUSTRIALIZED COUNTRIES. " AS REGARDS POLICIES TOWARD SPECIFIC AREAS OF THE WORLD:

(A)US.IN HIS ORAL REMARKS JENKINS SAID: " WE SHALL PLAY OUR FULL PART IN ACHIEVING A FIRM COOPERATION BETWEEN EUROPE AND THE UNITED STATES.THERE HAS NEVER BEEN ANY CONTRADICTION BETWEEN EUROPEAN UNITY AND AS CLOSE AS POSSIBLE AN ATLANTIC RELATIONSHIP. 'THE ECONOMIC AND POLITICAL UNIFICATION OF EUROPE...AND THE ESTABLISHMENT OF RELATIONS BETWEEN EUROPE AND THE UNCLASSIFIED

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UNITED STATES ON A BASIS OF EQUAL PARTNERSHIP ARE THE ONLY WAY TO CONSOLIDATE THE WEST AND TO CREATE THE CONDITIONS FOR PEACE BETWEEN EAST AND WEST.' SO PROCLAIMED THE MONNET COMMITTEE FIFTEEN YEARS AGO.THIS REMAINS ESSENTIALLY THE POSITION TODAY.THE UNITED STATES,ESPECIALLY IN THE APPROACH TO THE SUMMIT,EXPECTS AND WILL WELCOME A STRONGER AND MORE COHERENT EUROPEAN LEAD.THE COMMISSION WILL PLAY ITS FULL PART IN SEEING THAT IT IS FORTHCOMING." COMMISSION PRESIDENT'S EXPLANATORY MEMORANDUM CONTAINS THE FOLLOWING: " RELATIONS WITH THE UNITED STATES WILL CONTINUE TO BE A FOCAL POINT IN THE COMMUNITY'S EXTERNAL ACTIVITIES.THE COMMISSION IS CONFIDENT THAT THE SPIRIT OF COOPERATION BETWEEN EUROPE AND THE UNITED STATES WHICH HAS RECENTLY EMERGED WILL MAKE IT POSSIBLE TO FIND SOLUTIONS TO A NUMBER OF MATTERS OF PRINCIPLE AND UNSETTLED QUESTIONS WHICH THE NEW U.S.ADMINISTRATION MUST DEAL WITH.THESE INCLUDE LEGAL PROCEEDINGS AGAINST REMISSION OF VAT IN RESPECT OF COMMUNITY EXPORTS,AND AGAINST EXPORTS THAT HAVE RECEIVED REGIONAL AID.SIMILARLY,QUOTAS APPLIED IN JUNE, 1976 ARE STILL LIMITING COMMUNITY EXPORTS OF SPECIAL STEEL TO THE UNITED STATES. THUS THE REGULAR HIGH LEVEL CONSULTATIONS ARE ASSUMING MORE AND MORE IMPORTANCE,AND WORKING RELATIONSHIPS WILL HAVE TO BE ESTABLISHED WITH A NEW ADMINISTRATION. THE VISIT OF THE U.SVICE PRESIDENT IN JANUARY MARKED A STATISFACTORY BEGINNING."

(B)POLICIES TOWARD DEVELOPING COUNTRIES.THE COMMISSION WILL TRY TO IMPROVE FURTHER THE GENERALIZED PREFERENCES SYSTEM " AND SEEK TO PERFECT ITS ROLE AS A MEANS OF CHANNELLING ASSISTANCE TO THOSE CONTRIES IN GREATEST NEED." JENKINS SAID COMMISSION ALSO PLANS "TO DEVELOP COMMUNITY'S FOOD AID SCHEME."

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Message Attributes

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